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**THIBODAUX**

**HEBERT**

**DESHOTELS**

**LEBLANC**

*A Corporation Of  
Certified Public Accountants*

## **FAITH HOUSE, INC.**

### **AUDITED FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2003 and 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-10-03

**Post Office Box 53147, 102 Versailles Blvd. Suite 808  
Lafayette, Louisiana 70505-3147**

# **FAITH HOUSE, INC.**

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**THIBODAUX**

**HEBERT**

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**INDEPENDENT AUDITORS' REPORT**

The Officers and Directors  
Faith House, Inc.  
Lafayette, Louisiana

Jack B. Thibodaux, Jr.  
Alan D. Hebert  
Norbert A. Deshotels  
Phillip P. LeBlanc  
Howard C. Schoeffler  
Wayne B. Hall

Toby J. Blanchard  
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A Corporation of  
Certified Public Accountants

We have audited the accompanying statements of financial position of Faith House, Inc. (a non-profit organization) as of June 30, 2003 and 2002, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faith House, Inc. as of June 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 28, 2003 on our consideration of Faith House, Inc.'s internal control structure and a report dated August 28, 2003 on its compliance with laws and regulations.

*Thibodaux Hebert Deshotels LeBlanc*

CERTIFIED PUBLIC ACCOUNTANTS

August 28, 2003

# FAITH HOUSE, INC.

## STATEMENTS OF FINANCIAL POSITION June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Cash	\$264,197	\$404,939
Short-term certificates of deposit	140,159	-
Grants receivable	137,758	208,179
Accrued interest receivable	2,045	-
Prepaid insurance	8,919	8,228
Long-term certificate of deposit	75,000	-
Land, buildings and equipment, net	1,389,509	1,433,500
Deposits	55	55
<b>Total assets</b>	<u>\$2,017,642</u>	<u>\$2,054,901</u>
<b>Liabilities and net assets:</b>		
Accounts payable	\$22,404	\$28,625
Other current liabilities	18,651	13,021
<b>Total liabilities</b>	<u>41,055</u>	<u>41,646</u>
<b>Net assets:</b>		
Unrestricted	1,894,955	1,941,259
Restricted	81,632	71,996
<b>Total net assets</b>	<u>1,976,587</u>	<u>2,013,255</u>
<b>Total liabilities and net assets</b>	<u>\$2,017,642</u>	<u>\$2,054,901</u>

*The accompanying notes are an integral part of these financial statements.*

# FAITH HOUSE, INC.

## STATEMENTS OF ACTIVITIES For the Years Ended June 30, 2003 and 2002

	2003	2002
Changes in unrestricted net assets:		
Revenues and gains:		
Grants	\$682,432	\$661,788
Fundraising	85,388	78,759
Public support donations	111,795	132,420
In-kind donations	84,940	110,635
Interest income	5,428	6,860
Total unrestricted revenues and gains	<u>969,983</u>	<u>990,462</u>
Net assets released from restrictions:		
Satisfaction of program restrictions	71,996	-
Total unrestricted revenues and gains and other support	<u>1,041,979</u>	<u>990,462</u>
Expenses and losses:		
Program services	893,383	845,598
Fundraising	64,293	63,892
Support services administration	130,607	130,320
Total expenses and losses	<u>1,088,283</u>	<u>1,039,810</u>
Decrease in unrestricted net assets	(46,304)	(49,348)
Changes in temporarily restricted net assets:		
Grants	81,632	71,996
Net assets released from restrictions	(71,996)	-
Increase in temporarily restricted net assets	<u>9,636</u>	<u>71,996</u>
Increase (decrease) in net assets	(36,668)	22,648
Net assets at beginning of year	<u>2,013,255</u>	<u>1,990,607</u>
Net assets at end of year	<u>\$1,976,587</u>	<u>\$2,013,255</u>

*The accompanying notes are an integral part of these financial statements.*



# FAITH HOUSE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2003 and 2002

	<u>Program Services</u>	<u>Fundraising</u>	<u>Support Services Administration</u>	<u>2003 Total</u>	<u>2002 Total</u>
Advertising	\$1,976	\$3,512	\$ -	\$5,488	\$2,951
Bank charges	-	-	454	454	337
Client expenses	63,257	16	-	63,273	24,687
Dues and subscriptions	1,543	240	-	1,783	2,770
Equipment	2,579	-	-	2,579	7,685
Food supplies	3,694	8,891	-	12,585	16,695
In-kind donations	83,837	-	-	83,837	106,635
Insurance - automobile	4,824	-	-	4,824	4,212
Insurance - group health	44,875	3,870	10,526	59,271	54,359
Insurance - shelter	20,752	-	865	21,617	16,064
Insurance - worker's compensation	4,111	-	964	5,075	4,744
Library and videos	1,088	-	-	1,088	10,877
Miscellaneous	668	74	28	770	419
Office expense	8,555	1,388	356	10,299	13,942
Outside services	17,388	440	724	18,552	23,324
Payroll taxes	33,897	1,293	7,951	43,141	38,697
Postage	4,455	334	186	4,975	5,394
Printing	10,537	2,286	439	13,262	17,060
Professional development	1,637	-	68	1,705	1,427
Legal and accounting	-	-	5,334	5,334	6,155
Rent	9,471	1,176	-	10,647	9,155
Repairs and maintenance	13,729	83	572	14,384	16,881
Salaries and wages	418,908	17,008	96,653	532,569	472,157
Special projects	872	18,138	-	19,010	25,784
Supplies - children's program	9,024	608	-	9,632	13,355
Supplies - janitorial	82	-	3	85	166
Telephone	15,334	2,334	639	18,307	21,923
Travel	16,384	2,048	683	19,115	14,229
Utilities	32,407	554	1,350	34,311	33,948
	<u>825,884</u>	<u>64,293</u>	<u>127,795</u>	<u>1,017,972</u>	<u>966,032</u>
Depreciation	<u>67,499</u>	<u>-</u>	<u>2,812</u>	<u>70,311</u>	<u>73,778</u>
Total Functional Expenses	<u>\$893,383</u>	<u>\$64,293</u>	<u>\$130,607</u>	<u>\$1,088,283</u>	<u>\$1,039,810</u>

*The accompanying notes are an integral part of these financial statements.*

# FAITH HOUSE, INC.

## STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Change in net assets	(\$36,668)	\$22,648
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	70,311	73,778
Donated assets	(1,103)	(4,000)
Changes in assets and liabilities:		
Grants receivable	70,421	(77,624)
Accrued interest receivable	(2,045)	-
Prepaid insurance	(691)	(1,901)
Accounts payable	(6,221)	3,756
Other current liabilities	5,630	2,688
Net cash provided by operating activities	<u>99,634</u>	<u>19,345</u>
Cash flows from investing activities:		
Purchase of property and equipment	(25,217)	(9,756)
Purchase of certificates of deposit	(215,159)	-
Net cash used in investing activities	<u>(240,376)</u>	<u>(9,756)</u>
Net increase (decrease) in cash	(140,742)	9,589
Cash at beginning of year	<u>404,939</u>	<u>395,350</u>
Cash at end of year	<u>\$264,197</u>	<u>\$404,939</u>

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

#### Noncash investing activities:

Donated assets	<u>\$1,103</u>	<u>\$4,000</u>
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*The accompanying notes are an integral part of these financial statements.*

# FAITH HOUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1: ORGANIZATION

Faith House, Inc., a nonprofit corporation, was incorporated on November 20, 1980 to provide temporary shelter and services for battered women and their children in crisis situations. Other services provided by the Organization include crisis counseling, after care to victims of domestic violence, and community education about domestic violence. The Organization's services are available to residents of Lafayette, Vermilion, Acadia, Evangeline, and St. Landry parishes.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### Method of Accounting

Assets and liabilities, and revenues and expenses, are recognized on the accrual basis of accounting.

#### Property and Equipment

Property and equipment are stated at cost. Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of property and equipment disposed of are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided utilizing the straight-line method. Depreciation expense amounted to \$70,311 and \$73,778 for the years ended June 30, 2003 and 2002, respectively.

#### Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### Cash Flows

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

#### Grants Receivable

At June 30, 2003 and 2002, all of the Organization's grants receivable were considered fully collectible and due within one year.



**FAITH HOUSE, INC.****NOTES TO FINANCIAL STATEMENTS****NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Advertising*

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. The amount of advertising incurred for the years ended June 30, 2003 and 2002 was \$5,488 and \$2,951, respectively.

*Donor-Restricted Funds*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. Such donations are recorded as unrestricted support unless the donor has restricted the asset to a specific purpose.

*Donated Services*

The Organization receives donated personal services for fundraising and program services activities which do not qualify for recognition under SFAS No. 116. Accordingly, no value has been reflected in the statements for such donated services; however, these services are very valuable to the Organization's programs. The value of donated services not reflected in the financial statements for the years ended June 30, 2003 and 2002 was \$19,070 and \$18,946, respectively.

*Credit Risk*

Financial instruments that potentially subject the Organization to credit risk include cash and certificates of deposit. The organization maintains cash and certificates of deposit at several financial institutions. Cash accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to \$100,000 per institution. At June 30, 2003, the Organization exceeded the insured limit by approximately \$175,446.

*Reclassifications*

Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation. Such reclassifications had no effect on change in net assets.

# FAITH HOUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3: GRANTS

For the years ended June 30, 2003 and 2002, grant revenue consists of the following:

	<u>2003</u>	<u>2002</u>
Acadiana Affiliate of Susan B. Komen	\$2,250	\$2,126
Acadiana Arts Council	2,106	5,869
Acadiana Legal Services	9,939	-
Children's Trust Fund (CTF)	-	1,849
Combined Federal Campaign of Acadiana (CFC)	6,293	4,866
Crime Victims' Assistance (CVA)	61,386	69,975
Doors of Hope	22,500	-
Federal Emergency Management Agency (FEMA)	12,206	14,420
Gannett Foundation	6,746	7,500
Interest on Lawyers' Trust Association (IOLTA)	14,884	33,590
Junior League	-	5,000
Lafayette Consolidated Government:		
Emergency Shelter Grant - State (ESG)	16,732	6,367
Emergency Shelter Grant - Janitorial (ESG)	3,328	-
External Agency	27,132	21,956
Lafayette Medical Alliance	-	1,500
Lafayette Parish School Board	1,100	1,334
Louisiana Coalition Against Domestic Violence		
Children's Program	41,970	-
Community Outreach	17,064	17,745
Rural Projects (R-PAP)	55,847	20,094
Urban Projects (U-PAP)	695	-
Office of Women's Services		
General	304,800	300,644
Temporary Assistance for Needy Families (TANF)	8,464	52,078
Rapids Foundation	15,542	8,394
Rural Acadia	-	6,666
Rural Evangeline	-	6,881
Shelter Angels	2,340	-
United Way of Acadiana	90,000	89,200
United Way of St. Landry	22,410	26,308
Violence Against Women Act (VAWA)	16,830	19,422
Private Foundation Grants	<u>1,500</u>	<u>10,000</u>
Total grant revenue	<u>\$764,064</u>	<u>\$733,784</u>

For the years ended June 30, 2003 and 2002, the Company funded a legal advocate position with the grant received from Interest on Lawyers' Trust Association (IOLTA).

# FAITH HOUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4: NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor-imposed restrictions, as follows:

	<u>2003</u>	<u>2002</u>
Satisfaction of program restrictions	<u>\$71,996</u>	<u>\$ -</u>

### NOTE 5: PROPERTY AND EQUIPMENT

At June 30, 2003 and 2002, property and equipment and the related accumulated depreciation consists of the following:

	<u>2003</u>	<u>2002</u>
Land	\$34,280	\$34,280
Buildings and improvements	1,570,115	1,544,657
Furniture and fixtures	76,839	76,839
Machinery and equipment	162,660	161,799
Automobiles	<u>15,000</u>	<u>15,000</u>
	1,858,894	1,832,575
Less: Accumulated depreciation	<u>469,385</u>	<u>399,075</u>
Land, buildings, and equipment, net	<u>\$1,389,509</u>	<u>\$1,433,500</u>

### NOTE 6: CERTIFICATES OF DEPOSIT

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>
Short-term			
Certificate of deposit	5/14/04	1.90%	\$64,457
Certificate of deposit	9/14/03	1.88%	<u>75,702</u>
Total short-term			<u>\$140,159</u>
Long-term			
Certificate of deposit	11/26/04	2.75%	<u>\$75,000</u>

**THIBODAUX**

**HEBERT**

**DESHOTELS**

**LEBLANC**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Jack B. Thibodaux, Jr.

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*A Corporation of  
Certified Public Accountants*

The Officers and Directors

Faith House, Inc.

Lafayette, Louisiana

We have audited the financial statements of Faith House, Inc. (*a nonprofit organization*) for the years ended June 30, 2003 and 2002, and have issued our report thereon dated August 28, 2003.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Faith House, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audits of the financial statements of Faith House, Inc. for the years ended June 30, 2003 and 2002, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (Continued)**

We noted no matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors and management of Faith House, Inc. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Phobachang & Son & Partners LLP*

CERTIFIED PUBLIC ACCOUNTANTS

August 28, 2003



**THIBODAUX**

**HEBERT**

**DESHOTELS**

**LEBLANC**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**  
**BASED ON AN AUDIT OF FINANCIAL STATEMENTS**  
**PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

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Certified Public Accountants

The Officers and Directors  
Faith House, Inc.  
Lafayette, Louisiana

We have audited the financial statements of Faith House, Inc. (*a nonprofit organization*) as of and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated August 28, 2003.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Faith House, Inc. is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audits of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors and management of Faith House, Inc. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Thibodaux Hebert Deshotels LeBlanc*

CERTIFIED PUBLIC ACCOUNTANTS

August 28, 2003